

SOUTH DAKOTA: EXPORTS, JOBS, AND FOREIGN INVESTMENT

Exports Mean Jobs for South Dakota's Workers

- Nearly one-fifth (17.5 percent) of all manufacturing workers in South Dakota depend on exports for their jobs. This is slightly below the national-level share of manufacturing workers supported by exports (20.5 percent). (2001 data latest available)
- Export-supported jobs account for an estimated 8.4 percent of South Dakota's total private-sector employment (roughly one of every 12 jobs). This is greater than the national average of 6.5 percent (one of every 15 jobs). (2001 data latest available)

Note: Export-related jobs estimates include only jobs supported by exports of manufactured goods; jobs generated by exports of services are excluded. Consequently, the numbers understate the total employment impact of exports on the U.S. economy.

Source: State Export-Related Employment Project, International Trade Administration & Census Bureau.

Exports Help Sustain Hundreds of South Dakota Firms—Small As Well As Large

- A total of 788 companies exported goods from South Dakota locations in 2001. Of those, 71 percent were small and medium-sized enterprises with fewer than 500 employees.
- Small and medium-sized firms generated more than 40 percent of South Dakota's total exports of merchandise in 2001. This is the ninth largest figure among the 50 states, and far above the national average of 29.2 percent.

Source: Exporter Data Base, International Trade Administration & Census Bureau

Economic Globalization: A Two-Way Street for South Dakota

- In 2002, majority-owned affiliates of foreign companies employed 7,100 workers in South Dakota.
- Nearly two-thirds of these foreign-investment-supported jobs (62 percent, or 4,400 workers) were in the manufacturing sector in 2002. This was the second largest share among the 50 states, trailing only Indiana.
- Majority-owned affiliates of foreign firms accounted for 5.8 percent of total manufacturing employment in South Dakota in 2001.
- Foreign investment in South Dakota was responsible for 1.8 percent of the state's total private-industry employment in 2001.
- Major sources of South Dakota's foreign-investment-supported jobs in 2002 were the United Kingdom, Canada, Germany, and Sweden.

Note: All figures exclude employment in banks affiliated with foreign companies.

Source: Bureau of Economic Analysis.

South Dakota Depends on World Markets

- South Dakota's export shipments of merchandise in 2003 totaled \$672 million. South Dakota's export shipments grew 36 percent from 1999 to 2003, the fourth-biggest percentage gain among the states. By comparison, the total U.S. increase in merchandise exports over this period was 4.5 percent.

- South Dakota exported globally to 116 foreign destinations in 2003. The state's largest export market, by far, was our NAFTA trading partner Canada. South Dakota exported \$289 million worth of merchandise to the Canadian market in 2003, 43 percent of the state's export total that year. Canada was followed by NAFTA's Mexico (2003 exports of \$124 million), and Japan (\$51 million). Other top markets included Hong Kong, the United Kingdom, Germany, and China.
- South Dakota's biggest growth market, in dollar terms, has been Canada. From 1999 to 2003, export shipments to Canada rose from \$211 million to \$289 million, an increase of \$78 million.
- Other countries to which South Dakota recorded large increases in merchandise exports over the 1999-2003 period were Mexico (up \$41 million), Japan (up \$39 million), Hong Kong (up \$28 million), and the United Kingdom (up \$12 million).
- Of South Dakota's top 20 markets, exports of merchandise to Portugal grew the fastest over the 1999-2003 period. South Dakota's exports of goods to Portugal increased 469 percent from about \$537,000 in 1999 to \$3.1 million in 2003. South Dakota also more than doubled its merchandise exports to China, Japan, Hong Kong, Israel, and Spain.
- Among manufactured products, South Dakota's leading export category is computers and electronic products. This category accounted for nearly one-third (32 percent), or \$218 million, of South Dakota's total merchandise exports in 2003. South Dakota's other top manufactured exports in 2003 were processed foods (\$179 million), machinery manufactures (\$77 million) and miscellaneous manufactures (\$29 million).
- In dollar terms, South Dakota's leading manufactured export growth category is processed foods. Export shipments of these products during the 1999-2003 period grew from \$46 million to \$179 million—an increase of \$133 million.
- Other manufactured export categories that registered large dollar growth from 1999 to 2003 were computers and electronic products (up \$45 million), machinery manufactures (up \$23 million), and miscellaneous manufactures (\$21 million).
- In percentage terms, South Dakota's fastest-growing manufactured export category is beverage and tobacco products, which grew 1,471 percent from less than \$95,000 in 1999 to \$1.5 million in 2003. Other fast-growing manufactured exports during this period were leather and related products (up 867 percent), processed foods (up 292 percent), miscellaneous manufactures (up 276 percent), fabricated metal products (up 128 percent), and non-apparel textile products (up 122 percent).

Source: Origin of Movement State Export Series, Bureau of the Census.

Caution: The Origin of Movement series allocates exports to states based on transportation origin, i.e., the state from which goods began their journey to the port (or other point) of exit from the United States. The transportation origin of exports is not always the same as the location where the goods were produced. Consequently, conclusions about "export production" in a state should not be made solely on the basis of the Origin of Movement state export figures.

Prepared by the Office of Trade and Industry Information, International Trade Administration, U.S. Department of Commerce.